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Document No. 9

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Class. CHANGED TO: TS S

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/176

Date: 24/1/77 By: [Signature]

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DD/S 58-4873

11 December 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of Planning Group Meeting  
24 November 1958

BACKGROUND

On 14 October 1958 the Acting Deputy Director (Plans) wrote the other Deputy Directors and the Special Assistant to the Director (P & D) pointing up the need for over-all planning and coordination with respect to the many "separate initiatives being taken by all CIA offices in the direction of speedier communications and reporting." He proposed that an Agency Planning Group be established to deal with this problem.

On 10 November 1958 the Deputy Directors, the Special Assistant to the Director (P & D), and a representative of the Inspector General, agreed to the DD/P proposal and set out two major problems for the Planning Group to study: first, the question of "what documents and how many should be in the communications system"; and second, the question of "how can we handle the material more expeditiously." It was decided that a DD/I member should chair the Group during the study of the first problem and the Director of Communications during the study of the second problem. However, the chairman designated for the first phase [redacted] will be away for several weeks; so it was agreed that [redacted] SA/PD/DCI would serve in this capacity temporarily.

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INITIAL MEETING

The initial meeting of the Agency Planning Group for a Mechanically Integrated Reporting and Communications System was held Tuesday, 25 November 1958 at 0930 hours.

PRESENT:



Acting Chairman  
Office of Communications  
Office of Communications  
Office of Communications  
Special Planning Assistant - DD/S  
Office of Security  
Office of Security  
Management Staff

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Deputy Director (Plans) Representative  
Deputy Director (Plans) Representative  
Deputy Director (Intelligence) Representative  
Deputy Director (Support) Representative  
Secretary

MINUTES:

1. As a first step in organizing the Planning Group, the Chairman asked for an expression from each member as to how the Group should approach its task. The exchange of views which followed, including suggestions for a number of specific topics to be studied, indicated an immediate need for the members of the Group to: (a) obtain a better understanding of the background and technical details of some of the specific matters with which they would have to deal, and (b) be placed on a somewhat more even footing with respect to their knowledge of present conditions and proposed developments in the reporting and communications fields.

2. Accordingly, it was agreed that a series of background briefings would be presented as quickly as possible, after which the Group would proceed with its formal organization and lay out its work schedule. Ten topics were selected for presentation as follows:

TOPIC	PRESENTED BY	DATE
(1) CRITIC System	DD/I	2 December 1958
(2) OCR Dissemination System	OCR	2 December 1958
(3) Analytical Processes of Intelligence Research	ORR	2 December 1958
(4) Reporting & Communications Developments in the Military Services	OCR	2 December 1958
(5) Dissemination System of CIA Cable Secretariat	CIA Cable Sec	4 December 1958
(6) Evaluation Problems as seen by Reporting Officers	DD/P	4 December 1958
(7) CIA's Electrical Communicat- ing System	D/CO	9 December 1958
(8) Teletape Communicatg System	DD/P	9 December 1958
(9) State & Military Pouch Facilities	Mgmt.	11 December 1958
(10) Security Considerations	Security	11 December 1958

3. It was the consensus of the Group that its membership should be broadened to include every major organizational element which has a direct interest in the problems to be studied. The Chairman asked that the CIA Cable Secretary and a representative of the Office of Training be issued specific

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invitations to join the Group. (This was later extended to include also representatives of the Inspector General and the Deputy Director (Coordination.)

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Secretary

SA-DD/S:WV:jlf (11 Dec 58)

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Background Paper No. 1  
2 December 1958

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

Date: 26 JAN 1978

By: 025

PLANNING GROUP FOR REPORTING AND COMMUNICATIONS SYSTEMS

ORR Research Practices: Outline of Presentation by [REDACTED]

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I. Kinds of Intelligence Produced by ORR.

A. By subject matter.

1. Production and trade of strategic commodities in the Bloc:

- a. Steel, nonferrous metals, and other materials,
- b. Machinery and equipment,
- c. Military end products,
- d. Food,
- e. Manufactured consumer goods.

2. Agregates output and trade to determine:

- a. Over-all economic growth,
- b. Comparative size,
- c. Allocation of end products to:
  1. Investment,
  2. Military,
  3. Household consumption.

3. Geographic intelligence on world wide basis.

B. By customers.

1. Supports ONE in production of National Estimates, particularly Bloc.

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- a. Contributes to ONE on economic and military parts of Bloc estimates--as a primary contributor,
  - b. Supports ONE on production of aircraft, ships, atomic energy, and guided missiles,
  - c. Interested ORR components support ONE at meetings of USIB representatives on estimates.
  - d. AD/RR attends final USIB meetings on estimates of ORR interest.
2. OCI interested primarily in current political intelligence.
    - a. ORR provides economic support to OCI.
      1. Initiates economic articles for OCI publications,
      2. Evaluates current intelligence on economic subjects.
    - b. On a three-day crash basis over a weekend ORR recently evaluated the newly announced Soviet Five Year Plan.
      1. Examined hundreds of products.
        - a. Compared Soviet output with US,
        - b. Compared planned with past growth rates,
        - c. Evaluated ability of USSR to meet plans.
3. Frequently supports and works with OSI, whose primary interest is R&D. ORR picks up at time production begins.
  4. Provides operational support to DD/P.
  5. Extensive support to USIB and non-USIB agencies.

## II. Some Typical ORR Projects.

- A. Trends in the Electronics Industry of the USSR. (Draft of ORR 36,1935,S).
  1. Purpose of paper: fill gaps identified by EIC and ONE in Soviet electronics production--especially military electronics.
    - a. To measure Soviet total electronics output in R and \$,

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b. Estimate the growth rate, 1945--1960 or 1963.

c. Break total down into consumption by:

1. Households,

2. Industry,

3. Military.

2. Methodology.

a. Obtained Soviet index numbers of growth from press and radio.

b. Convert index numbers to Rubles on the basis of a statement from a leading member of the Soviet electronics industry (20.4 to 21.6 bil R in 1957).

c. Check figure from employment data provided by same source, plotted against either information on wages and material costs for the industry.

d. Second check from US tube-dollar ratios: 19-22 bil R.

e. Led to average figure of 22 bil R production, 1957.

f. Independent estimates made of consumer and industrial consumption. Derived military electronics as residual.

3. Showed that Soviet electronics industry:

a. Grew from 10-15 per cent of US output in 1950 to 45 per cent in 1957.

b. Military electronics reached 2/3 US size in 1957.

<u>Tot.</u>	US 1957:	7.6 Bil. \$	<u>Milit.</u>	3.9 Bil. \$
	USSR 1957:	3.2 Bil. \$		2.4 Bil. \$
	USSR 1960:	5.1 Bil. \$		3.8 Bil. \$

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- b. 65 pp. paper.
- c. 137 sources: press, radio, books, OO, handbooks.

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- 2. No attache reports--difficult for attaches to cover.

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- d. Location of Sources.
  - 1. From reading requirements placed on ORR Reading Panel.
  - 2. Analyst files.
  - 3. By means of special search when projects are scheduled.

B. Similar studies in ORR.

- 1. GDR electronics industry. (Draft of ORR 36,2378,S)
  - a. More help from GDR statistical handbook.
  - b. Few attache reports, since GDR not recognized.
  - c. Great volume of covert reports.
- 2. Another RR report finished early in 1958: Recent developments in the Tractor Industry of the USSR--(RR 126, 14 March 1958, S).
  - a. Establishes production and inventory, 1950-57:  
Year, Model, and plant.
  - b. Production by new types--diesel and row crop.
  - c. Allocations to agriculture.
  - d. Method:
    - 1. Over-all production from official Soviet handbooks.
    - 2. Plant and model data from:
      - a. Regional handbooks.


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3. Allocations to agriculture from open sources too.
  - e. Sources: Official data: handbooks, press, radio, technical literature, and plan data.
    1. No CS sources used at all.
    2. In 43 p. report with 87 citations.
      - a. Only about 10 per cent were state or air reports.
      - b. No cables used.
      - c. One state airgram.
  3. Tractor paper typical of most RR reports on machinery production--Based by necessity on open sources.
  4. Reports on materials production (steel, cement, etc.) similar except:
    - a. More aggregative--product more homogeneous--handled as whole.
    - b. Therefore less attention to output by plant.
    - c. Little covert reporting on USSR.
    - d. Based on open source literature.
    - e. Not even much attache reporting.
    - f. Depend on procurement of handbooks, technical literature, and statistical periodicals.
  5. Agriculture differs.
    - a. Rely more on attache trip reports for crop conditions.
    - b. Timing is seasonal and important.

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6. Trade is another special case to be treated later.
7. For most ORR reports:
  - a. Production is estimated on a yearly basis. Day to day reporting not important. Neither weekly nor monthly; maybe quarterly; certainly annually.
  - b. Current reporting wanted only for problems: shortages, model changes, changes in policy: shift from:
    1. Hydro to thermal power,
    2. Coal to oil and gas.
  - c. Timing is most important at critical periods of ORR production:
    1. Annual national estimates.
    2. NIS and other deadlines.
  - d. Files:
    1. FBIS and other open source information not intellofaxed. Analysts must rely on own maintenance and files.
- C. Military studies: Production of Bison Aircraft at Moscow/Fili Airframe Plant No. 23 in the USSR.

RR-IP-582, 24 Jan 58, S, CIA Internal Use Only (Jan 1955-June 1958)  
582-S-I, 13 June 58 (1 July 57-1 Mar 58).

1. Background:
  - a. Air Force has primary responsibility for subject.
  - b. ORR supports DCI and ONE as a departmental responsibility.
  - c. Air Force estimates OB rather than production. Estimates are consistently high.
  - d. Are not substantiated by ORR studies of planes produced.
  - e. 1956 NIE estimated an inventory of 500 Bisons by mid 1958;

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700, mid 1960.---Used to beef up US B-52 program by about one billion dollars.

- f. 1956 on, ORR has taken exception to these high estimates. Gradual acceptance of ORR estimates by ONE has slowly cut back national estimates. Cumulative production of Bison still less than one hundred.

2. Kind of studies by ORR to support ONE:

- a. Follow plant production closely at all known Soviet aircraft plants.
- b. Studies of plant size and facilities.
- c. Monthly output of planes by type.
  - 1. Bison report: 65th plane in July 1957 to 84th in March 1958.
  - 2. Peaks of 4 per month in April and August 1957.
  - 3. Dropped in August 1957 to one to two per month.
- d. Weekend activity and small night shift led ORR to suggest that Bison was being phased out for new plane long before the Bounder was sighted.

3. Type of information used:

- a. Attache sightings on final assembly stage at plants.



- e. Evaluation of OB from communications and other intelligence.
  - f. Little or no press information; no handbook data on production.
4. Information comes in:
- a. Chiefly from air attaches: cables and air dispatches.

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b. Some from liaison services.

5. Level of research:

a. Limited data; fragmented.

b. Exploit every scrap of available information.

c. Sift data finely; detailed analysis of all available evidence.

6. Problems:

a. Time lags.

1. Moscow attaches directed to use cable. But cable reports are incomplete. Followed up by bi-monthly and quarterly reports.

2. Dispatches take five to six weeks from field to ORR reading panel and branch.

b. Private transmittal of information for internal consumption only pending approval of the information for general release.

c. Enclosures--photographic negatives and information for PIC.

D. Trade Reports:

1. ORR produces several types of trade reports:

a. Annual surveys for National Estimates of Bloc Trade.  
Formerly compiled by totalling available data.  
Now improved by official handbook data.  
Attache reports useful for trade problems.

b. Trade sections of NIS.

c. Basic studies of trade in: machinery products; and strategic commodities: copper, tin, aluminum.

d. Support of US program to control trade with Bloc.

1. Define strategic products.

2. Determine effects of denials and controls on Bloc.

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3. Monitor Bloc evasion of controls.  
All require support from state, DD/P, and OO.  
Timeliness highly important.

e. Bloc penetration program:

1. Bloc working intensively to penetrate underdeveloped areas of Asia, Africa, and even South America.
2. This program is being closely monitored by an EIC Working Group.
  - a. Publishes a Bi-weekly Report on Bloc Economic Activities in Underdeveloped Areas.
  - b. This report of much use to policy making areas of government, and to ICA and USIA, to which it supplies timely evaluated and analyzed information.
  - c. Relies for information chiefly on state and military attache dispatches.
  - d. Latest issue is 24 November.  
But dispatch dates in it range from end of August to mid-November. State prepares many of the items. Difficult for RR to evaluate since dispatches come late.
  - e. This type of report can benefit greatly from a speed up in the transmission of information.

### III. Summary:

A. ORR Interests Diverse.

1. Engaged in both basic and current research.
2. Many projects depend on press, radio, open publications.
3. Others, especially, military, trade, agriculture, and consumer problems depend on attache reports.
4. Timing is important, but need varies with subject.

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One day survey of timing from field to ORR reading panel:

<u>Source</u>	<u>Number of Documents</u>	<u>Average Days</u>
State	44	16
Navy	58	28
Air	40	42
Army	27	73

B. Some ORR needs and problems:

1. Dissemination of documents.

- a. Timing.
- b. Materials from other USIB agencies.

2. Recovery.

- a. Speed.
- b. Reliability.
- c. Non'intellofaxed materials: Press and radio.
- d. Full text rather than condensations.
- e. Legibility.

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